



# MENTAL HEALTH MEDICAID MATCH INTENT LANGUAGE REPORT

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
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ISSUE BRIEF

## SUMMARY

In 1986 the Legislature determined that counties would be responsible for public mental health services in Utah. In subsequent years Medicaid has become the largest financing source for these mental health services. Medicaid provided 61 percent of the funding for FY 2013. The Medicaid program requires that state partners (including counties) pay for a portion of Medicaid expenditures called *Medicaid match*. The total FY 2013 Utah Medicaid match requirement was approximately 30 percent. Local Mental Health Medicaid caseload growth has exceeded the growth in available Medicaid match funding sources. The information in the [intent language report](#) on this topic indicates the increased pressure to fund the Medicaid match affects all counties. In FY 2013 73 percent of the match was paid for with State General Fund received by the counties as *pass through* while 27 percent was paid using county General Fund sources. During the 2014 General Session the Legislature provided an additional \$6.4 million one-time to counties to assist them in paying for Medicaid match. Counties are now looking to the state to: 1) make the \$6.4 million ongoing, 2) cover the increased Medicaid match cost each succeeding year by including the Medicaid match dollars (\$23.6 million in FY 2013 plus the \$6.4 million added in FY 2015) with *Medicaid Consensus* monies which are viewed as federal mandates and generally receive automatic increases, and 3) change the current formula distribution on the \$6.4 million to be based upon Medicaid-related data instead of population.

## **Questions**

There are three main policy questions related to the Mental Health Medicaid match as paid to the Department of Health by counties:

- 1. Does the Legislature want to fund the \$6.4 million local Medicaid match request with ongoing funding for FY 2016?**
- 2. Does the Legislature want to include the Medicaid match dollars with the Medicaid Consensus budget in order for this funding to receive automatic future increases?**
  - *Include the full Medicaid match amount or only the \$6.4 million or both?*
    - If it agrees with this request, does the Legislature want to include the full current amount (\$23.6 million in FY 2013) or the current amount plus the \$6.4 million or only the \$6.4 million with the Medicaid Consensus budget?
  - *Move the Medicaid match funding to the Department of Health or leave it in the Department of Human Services?*
    - The inclusion in the Medicaid Consensus budget can be done by either: 1) moving the funds to the Department of Health or 2) keeping the funds in the Department of Human Services and simply including the numbers as part of the Medicaid Consensus budget calculation.
  - *Equalize the matching amount for all counties at 20 percent?* Doing so would provide a windfall to those counties who are currently providing a greater matching amount than the 20 percent required by state statute. The increased cost of equalizing the matching amount would be seen as a FY 2016 building block increase.
- 3. Does the Legislature want to give direction to the Department of Human Services regarding the change in distribution of Medicaid matching funds?**

The Division of Substance Abuse and Mental Health has the statutory authority to create a new funding distribution formula for the \$6.4 million in Medicaid matching funds passed through to counties and has already agreed with counties to do that. Table 2 shows the difference between the current and proposed distribution formulas.

***Cautionary Note regarding the Budgetary Effect of Including the Mental Health Match with the Medicaid Consensus Budget***

Including the Mental Health match with the Medicaid consensus budget will have the budgetary effect of moving the mental health match request to the front of the budget request line because Medicaid consensus items are typically viewed as being federally mandated. Doing this will reduce the discretionary choices the Legislature has regarding other budget requests.

**Background**

The Department of Human Services, through its Division of Substance Abuse and Mental Health (DSAMH), oversees the public mental health system in the State of Utah. In 1986 a decision was made to have counties be responsible for mental health and substance use disorder services. As a result, the public mental health system is administered by county LMHAs. LMHAs have the following broad responsibilities:

- Provide mental health services to persons within the county. This is done under the direction of DSAMH and within legislative appropriations and county matching funds.
- Cooperate with efforts of DSAMH to promote integrated programs that address an individual's substance abuse, mental health, and physical healthcare needs [[UCA 17-43-301\(1\)\(b-c\)](#)].
- Review and evaluate mental health needs and services, including mental health needs and services for persons incarcerated in a county jail or other county correctional facility.
- Annually prepare and submit to DSAMH a plan approved by the county legislative body for mental health funding and service delivery [[UCA 17-43-301\(4\)\(a\)](#)].
- At a minimum, annually host DSAMH staff for a monitoring site visit and respond with a plan of action for any findings [[UCA 62A-15-103\(2\)\(a\)\(xiv\)\(f\)](#)].

***Matching Funds With Regard to Medicaid***

Medicaid has become the largest financing source for LMHAs and provided 61percent of funding for mental health services in FY 2013. Medicaid is a joint federal/state program. The federal government utilizes a formula to determine the percentage of costs it will pay for incurred Medicaid expenditures. The remaining costs become a state's (or in this case a county's) responsibility. This responsibility is referred to as a state *Medicaid match*. The federal percentage is determined state by state based upon a rolling three year average of each state's per capita income levels compared to the national average. The federal share is referred to as the [Federal Medical Assistance Percentage or FMAP](#).

***Local Mental Health Authority Medicaid Match Issue***

The LMHAs, through their contract with the Department of Health, are required to serve all Medicaid eligible individuals within their catchment area. As indicated in the report, Medicaid caseload growth has exceeded the growth in available funding sources to pay the Medicaid match. As a result more and more of the State General Fund dollars that are passed through to local authorities must be spent on Medicaid match to meet the growing number of Medicaid eligible individuals. The information in the report indicates this increased pressure affects all LMHAs. For state Fiscal Year 2013 the required local match rate was approximately 30 percent.

**Sources LMHAs Use to Pay Medicaid Match**

LMHAs typically pay match using two main sources: 1) state General Fund passed through from the DSAMH and 2) county General Fund. In FY 2013 the LMHAs combined Medicaid match payment to the Medicaid program in the Department of Health was funded by 73 percent from State General Fund passed through to counties and 27 percent from county-only sources of funding.

<b>FY 2014 Medicaid Mental Health Match Payment</b>		
<b>Source</b>	<b>Match Payment</b>	<b>%</b>
State General Fund Passed Thru to Counties	23,600,000	73%
County General Fund/Other County Funds	8,700,000	27%
<b>Total Match Paid by Local Mental Health Authorities</b>	<b>32,300,000</b>	<b>100%</b>

Table 1

**Separate County Requirement to Provide a 20 Percent Match on State General Fund Pass Through**

Counties are required to *match* (i.e. - provide from county resources) no less than twenty percent (20%) of an amount equal to most of the General Fund received from the state division of Substance Abuse and Mental Health [[UCA 17-43-301\(4\)\(a\)\(x\)](#)].

**Budget Highlights**

Below are several tables showing supplementary information in addition to that found in the *Local Mental Health Authority Medicaid Match* report. Table 2 shows the distribution of the \$6,400,000 Medicaid match based upon the current funding formula compared to the proposed funding formula as suggested in question number 3 on page 1. Table 3 shows State General Fund and County General Fund for each local authority used for matching Medicaid from FY 2009 through FY 2013. Table 4 shows the amount of General Fund *pass through* being used for non-Medicaid eligible clients (often called *unfunded* clients).

Medicaid Match - Allocation							
Based on Current Formula				Proposed Formula			
Center	FY2015 Allocation State G.F.	Percent	Allocate \$6,400,000	FY2013 Rates x Elig	Percent	Allocate \$ 6,289,437	Difference
Bear River	\$ 1,735,972	5.98%	\$ 382,830	6,645,901	6.79%	\$ 427,177	\$ 44,347
Four Corners	\$ 578,691	1.99%	\$ 127,617	2,785,644	2.85%	\$ 179,052	\$ 51,435
Central	\$ 1,080,866	3.72%	\$ 238,361	3,517,836	3.60%	\$ 226,115	\$ (12,246)
Davis County	\$ 3,079,741	10.61%	\$ 679,168	8,851,812	9.05%	\$ 568,966	\$ (110,202)
Salt Lake County	\$ 10,374,492	35.75%	\$ 2,287,863	36,769,586	37.58%	\$ 2,363,429	\$ 75,567
San Juan County	\$ 200,417	0.69%	\$ 44,197				
Southwest	\$ 2,263,826	7.80%	\$ 499,236	5,682,932	5.81%	\$ 365,280	\$ (133,956)
Tooele/Summit County	\$ 998,169	3.44%	\$ 220,124	3,662,115	3.74%	\$ 235,389	\$ 15,265
Northeastern	\$ 691,651	2.38%	\$ 152,528	2,445,606	2.50%	\$ 157,196	\$ 4,667
Utah County	\$ 5,270,949	18.16%	\$ 1,162,390	18,230,822	18.63%	\$ 1,171,818	\$ 9,428
Wasatch County	\$ 300,940	1.04%	\$ 66,366				
Weber Human Svcs	\$ 2,445,586	8.43%	\$ 539,319	9,257,085	9.46%	\$ 595,015	\$ 55,696
<b>TOTAL</b>	<b>\$ 29,021,300</b>	<b>100.00%</b>	<b>\$ 6,400,000</b>	<b>97,849,339</b>	<b>100.00%</b>	<b>\$ 6,289,437</b>	<b>\$ 0</b>

Note: San Juan County and Wasatch County were paid fee for service in FY2013.

TOTAL	6,400,000
San Juan County	(44,197)
Wasatch County	(66,366)
ADJUSTED TOTAL	6,289,437

Table 2

Distribution of the \$6,400,000 Medicaid Match Current and Proposed Formulas

Source: Utah Division of Substance Abuse and Mental Health

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Division of Substance Abuse and Mental Health						
State General Fund and County General Fund Used For Mental Health Services						
FY 2009 to FY 2013						
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Bear River	State G.F. Medicaid	1,179,966	1,025,000	1,188,467	1,357,965	1,570,294
	State G.F. Non-Medicaid	310,467	314,681			
	Total State G.F.	1,490,433	1,339,681	1,188,467	1,357,965	1,570,294
	County G.F. Medicaid			97,497	271,594	272,864
	County G.F. Non-Medicaid		269,188	140,187		
	Total County G.F.	298,087	269,188	237,684	271,594	272,864
	County Match Percentage	20%	20%	20%	20%	20%
Four Corners	State G.F. Medicaid	502,559	456,002	369,329	474,319	496,455
	State G.F. Non-Medicaid	-	3,496	48,630		31,868
	Total State G.F.	502,559	459,498	417,959	474,319	528,323
	County G.F. Medicaid		91,200	268,961	294,508	349,597
	County G.F. Non-Medicaid		14,112			
	Total County G.F.	158,743	105,312	268,961	294,508	349,597
	County Match Percentage	32%	23%	64%	62%	74%
Central	State G.F. Medicaid	839,569	871,885	797,327	737,081	936,883
	State G.F. Non-Medicaid	110,361			139,451	53,399
	Total State G.F.	949,930	871,885	797,327	876,532	990,282
	County G.F. Medicaid		21,223	133,724	46,729	99,125
	County G.F. Non-Medicaid		153,144	25,741	128,577	76,181
	Total County G.F.	189,987	174,367	159,465	175,306	175,306
	County Match Percentage	20%	20%	20%	20%	20%
Davis	State G.F. Medicaid	1,629,076	1,335,645	1,666,835	2,348,918	2,213,120
	State G.F. Non-Medicaid	1,014,517	1,013,487	402,307	39,817	629,365
	Total State G.F.	2,643,593	2,349,132	2,069,142	2,388,735	2,842,485
	County G.F. Medicaid		245,032	416,709	587,229	553,280
	County G.F. Non-Medicaid		410,317	368,573	283,021	374,014
	Total County G.F.	655,280	655,349	785,282	870,250	927,294
	County Match Percentage	25%	28%	38%	36%	39%
Northeastern	State G.F. Medicaid	544,850	488,943	468,635	543,686	633,686
	State G.F. Non-Medicaid	3,076	22,261			
	Total State G.F.	547,926	511,204	468,635	543,686	633,686
	County G.F. Medicaid			69,047	82,836	56,464
	County G.F. Non-Medicaid		102,241	24,680	25,901	52,273
	Total County G.F.	109,585	102,241	93,727	108,737	108,737
	County Match Percentage	20%	20%	20%	20%	20%
San Juan	State G.F. Medicaid	119,836	87,784	142,195	101,094	139,404
	State G.F. Non-Medicaid	62,880	80,531	12,414	63,855	79,959
	Total State G.F.	182,716	168,315	154,609	164,949	219,363
	County G.F. Medicaid			30,922	32,990	32,990
	County G.F. Non-Medicaid		33,663			
	Total County G.F.	148,040	33,663	30,922	32,990	32,990
	County Match Percentage	81%	20%	20%	20%	20%

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SL Co	State G.F. Medicaid *	9,098,997	8,018,252	7,300,775	8,025,257	8,365,257	
	State G.F. Non-Medicaid					664,356	
	Total State G.F.	9,098,997	8,018,252	7,300,775	8,025,257	9,029,613	
	County G.F. Medicaid		456,000	2,915,454	4,603,897	5,541,603	
	County G.F. Non-Medicaid		4,205,523	5,127,812	1,749,718	3,440,547	
	Total County G.F.	6,379,677	4,661,523	8,043,266	6,353,615	8,982,150	
	County Match Percentage	70%	58%	110%	79%	112%	
	Southwest	State G.F. Medicaid *	1,407,865	1,626,329	1,435,206	1,756,585	1,715,627
	State G.F. Non-Medicaid	583,826	174,770	290,325		334,101	
Total State G.F.	1,991,691	1,801,099	1,725,531	1,756,585	2,049,728		
County G.F. Medicaid				13,730			
County G.F. Non-Medicaid		360,220	317,620	337,586	351,317		
Total County G.F.	398,338	360,220	317,620	351,316	351,317		
County Match Percentage	20%	20%	18%	20%	20%		
Summit	State G.F. Medicaid	97,000	99,693	105,943	158,135	101,701	
State G.F. Non-Medicaid	268,975	233,885	188,566	147,714	350,549		
Total State G.F.	365,975	333,578	294,509	305,849	452,250		
County G.F. Medicaid			58,902		61,170		
County G.F. Non-Medicaid		70,411		61,170			
Total County G.F.	73,195	70,411	58,902	61,170	61,170		
County Match Percentage	20%	21%	20%	20%	20%		
Tooele	State G.F. Medicaid	514,057	462,041	406,574	462,852	499,906	
State G.F. Non-Medicaid							
Total State G.F.	514,057	462,041	406,574	462,852	499,906		
County G.F. Medicaid		29,073	170,000	170,000	170,000		
County G.F. Non-Medicaid		205,793	103,520	50,000	50,000		
Total County G.F.	170,000	234,866	273,520	220,000	220,000		
County Match Percentage	33%	51%	67%	48%	48%		
Wasatch Co	State G.F. Medicaid - FY2009 Estimated	19,721	22,412	15,123		38,582	
State G.F. Non-Medicaid - FY2009 Estimated	226,792	205,340	191,844	233,412	248,108		
Total State G.F.	246,513	227,752	206,967	233,412	286,690		
County G.F. Medicaid		18,238	3,000	29,787	-		
County G.F. Non-Medicaid		27,312	38,393	16,895	46,682		
Total County G.F.	49,303	45,550	41,393	46,682	46,682		
County Match Percentage	20%	20%	20%	20%	20%		
Wasatch MH	State G.F. Medicaid *	3,942,925	3,459,297	3,745,984	4,026,164	4,656,468	
State G.F. Non-Medicaid	535,088	583,849					
Total State G.F.	4,478,013	4,043,146	3,745,984	4,026,164	4,656,468		
County G.F. Medicaid			360,113	978,989	805,233		
County G.F. Non-Medicaid		808,629	354,730		244,232		
Total County G.F.	1,014,248	808,629	714,843	978,989	1,049,465		
County Match Percentage	23%	20%	19%	24%	26%		

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Weber	State G.F. Medicaid *	1,808,750	1,448,086	1,745,231	1,906,097	2,181,277
	State G.F. Non-Medicaid	275,894	404,027			68,818
	<b>Total State G.F.</b>	<b>2,084,644</b>	<b>1,852,113</b>	<b>1,745,231</b>	<b>1,906,097</b>	<b>2,250,095</b>
	County G.F. Medicaid		289,617	324,994	381,219	791,916
	County G.F. Non-Medicaid		80,806			
	<b>Total County G.F.</b>	<b>709,950</b>	<b>370,423</b>	<b>324,994</b>	<b>381,219</b>	<b>791,916</b>
	County Match Percentage	34%	20%	19%	20%	42%
Totals	State G.F. Medicaid	21,705,171	19,401,369	19,387,624	21,898,153	23,548,660
	State G.F. Non-Medicaid	3,391,876	3,036,327	1,134,086	624,249	2,460,523
	<b>Total State G.F.</b>	<b>25,097,047</b>	<b>22,437,696</b>	<b>20,521,710</b>	<b>22,522,402</b>	<b>26,009,183</b>
	County G.F. Medicaid	-	1,150,383	4,849,323	7,493,508	8,734,242
	County G.F. Non-Medicaid	-	6,741,359	6,501,256	2,652,868	4,635,246
	<b>Total County G.F.</b>	<b>10,354,433</b>	<b>7,891,742</b>	<b>11,350,579</b>	<b>10,146,376</b>	<b>13,369,488</b>
	County Match Percentage (20% required)	41%	35%	55%	45%	59%
	County Paid Percentage of Total Medicaid Match		6%	20%	25%	27%

Please note that the County G.F. Medicaid amount and County G.F. Non-Medicaid amount for FY 2009 were not available.

State General Fund amounts do not include the Unfunded dollars and the Inpatient Medicaid match credit from DOH.

Mental Health Early Intervention funding did not require a county match in FY 2013.

\* Additional General Fund was allocated to four Local Mental Health Authorities towards the end of FY 2011 that did not require county match.

Table 3

County-only Medicaid Match Historical Payments

Source: Utah Division of Substance Abuse and Mental Health

<b>Division of Substance Abuse and Mental Health</b>					
<b>Payments To Local Mental Health Authorities For Unfunded Clients</b>					
<b>FY 2009 Through FY 2013</b>					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Bear River	170,000	170,000	170,000	179,769	179,769
Four Corners	80,000	80,000	80,000	82,742	82,742
Central	105,000	105,000	105,000	109,580	109,580
Davis	270,000	270,000	270,000	241,188	241,193
Northeastern	85,000	85,000	85,000	91,123	91,123
San Juan	51,044	70,000	68,470	70,000	70,000
SL Co	832,597	810,000	810,000	810,317	810,317
Southwest	200,000	200,000	200,000	209,918	209,918
Summit	80,000	80,000	80,000	78,586	78,586
Tooele	85,000	85,000	85,000	95,816	95,816
Wasatch Co	51,989	70,000	70,000	70,000	70,000
Wasatch MH	415,000	415,000	415,000	406,526	406,526
Weber	220,000	220,000	220,544	214,430	214,430
<b>Total - All Centers</b>	<b>2,645,630</b>	<b>2,660,000</b>	<b>2,659,014</b>	<b>2,659,995</b>	<b>2,660,000</b>

Table 4

Payments to Local Mental Health Authorities for Non-Medicaid Eligible Clients

Source: Utah Division of Substance Abuse and Mental Health